



RESOURCES

*resourcing the new economy
for a better tomorrow*



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EQ RESOURCES LIMITED

Critical Mineral Producer : Stand M84

IMARC 2023: Mining Spotlight
Kevin MacNeill, CEO
November 1st 2023



DOWNLOAD
PRESENTATION



ASX : EQR

Disclaimer



Competent Person's Statement

- The information in this presentation partly relates to the outcomes of the Mt Carbine Bankable Feasibility Study Update (May 2023), made available through the Company's website www.eqresources.com.au/.
- The Company confirms that it is not aware of any new information that materially affects the information included in the corresponding market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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**A Globally Significant
Tungsten
Raw Materials
Supplier**



Corporate Overview



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Key Statistics

| | |
|-----------------------|-------------------------------|
| Share Price | A\$0.07 per share |
| 12-month range | A\$0.04 - A\$0.088 per share |
| Shares on Issue | 1.57B |
| Market Capitalisation | A\$106.74 million |
| Top 20 Shareholders | 58.8% (~10% Board/Management) |

Board & Management

| | |
|--------------------|--------------------|
| Oliver Kleinhempel | Non-exec Chairman |
| Stephen Layton | Non-exec Director |
| Zhui Pei Yeo | Non-exec Director |
| Richard Morrow | Non-exec Director |
| Kevin MacNeill | Chief Exec Officer |
| Tony Bainbridge | Chief Geologist |

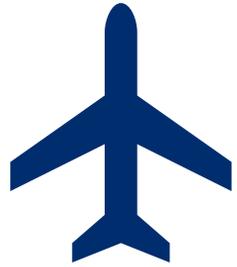
Share Price Performance



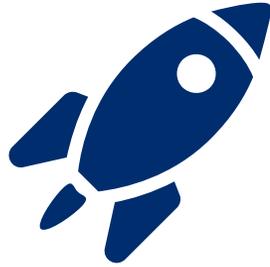
- 1 Feasibility Study Resource Drilling results announced – Announcements: 06 July 2021 ([link](#)), 13 July 2021 ([link](#)), 05 August 2021 ([link](#))
- 2 Updated JORC Mineral Resource announced – Announcement: 23 September 2021 ([link](#))
- 3 Bankable Feasibility Study results announced – Announcement: 13 December 2021 ([link](#))
- 4 AMGC Grant for 2nd XRT Sorter announced – Announcement: 25 January 2022 ([link](#))
- 5 Underground Scoping Study results announced – Announcement: 12 April 2022 ([link](#))
- 6 Government \$6M Critical Minerals Grant announced – Announcement: 28 April 2022 ([link](#))
- 7 Early Work Program completion announced – Announcement: 27 June 2022 ([link](#))
- 8 Phase 1 2022 Drill Program and Updated JORC Mineral Resource announced – Announcements: 04 May 2022 ([link](#)), 20 May 2022 ([link](#)), 04 August 2022 ([link](#))
- 9 Bankable Feasibility Study Update results announced – Announcement: 09 November 2022 ([link](#))
- 10 First 2022 Drill Results: Iron Duke Divocery and Confirmation Western Extension – Announcement: 13 February 2023 ([link](#))
- 11 JORC Mineral Resources Update (+64%) announced – Announcement: 04 April 2023 ([link](#))
- 12 Strong BFS Update Delivers 47% Increase In NPV – Announcement: 22 May 2023 ([link](#))
- 13 EQR acquires Tungsten Producer and Secures \$25M Funding – Announcement: 10 August 2023 ([link](#))
- 14 Strategic Partner Cronimet Joins EQR Register – Announcement: 18 October 2023 ([link](#))

Tungsten Uses

Critical Alloy Element, Unsubstitutable in Many Applications



Aviation



Aerospace



Automotive



Heavy Machinery



Heavy Industry



Tools & Construction



Medical



Military



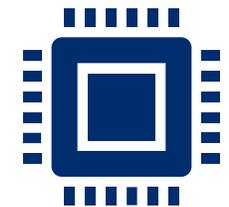
EV Battery Development



Green Energy



Science & Tech

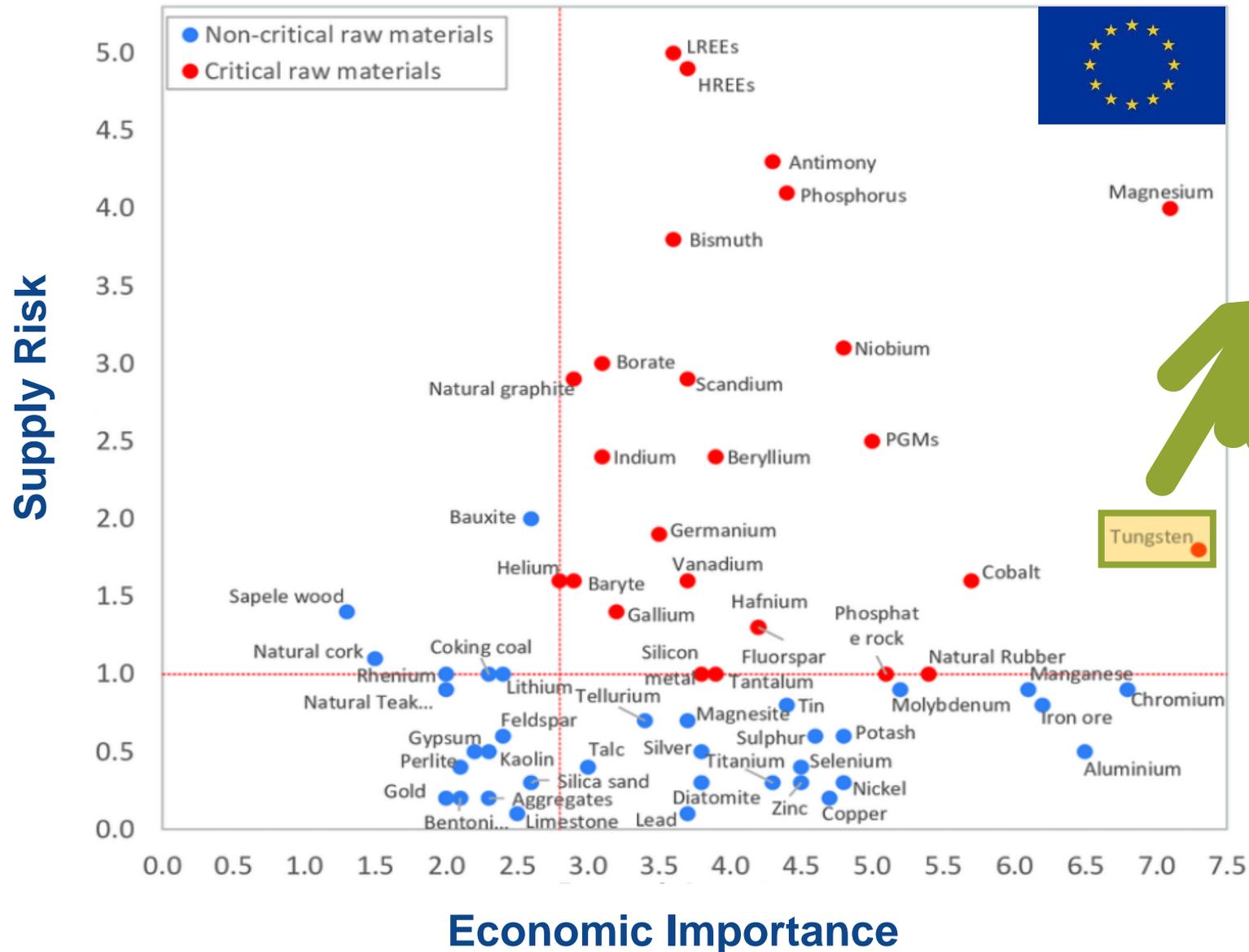


Micro Electronics

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Tungsten – A Material of Global Critical Significance

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Tungsten – A Material of Global Critical Significance

Tungsten is classified as a '**critical mineral**' by the US, UK, EU, Japan, South Korea, India and Australia:

- *Due to its economic importance*
- *Supply dependency with >80% China market share*
- *Inability to be substituted in many end-use applications*



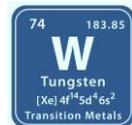
EU Commission rates tungsten with highest 'economic importance'; EU Critical Raw Materials Act further classifies tungsten as a '**strategic mineral**'



Dodd Frank Act (Art.1502) – tungsten, tin, tantalum & gold defined as '**conflict minerals**' (resulting in wide ranging traceability obligations)



Australia-US 'Climate, Critical Minerals & Clean Energy Transformation Compact' defines Australian resources as '**US domestic source**'



at 3420°C highest melting point of all metals



as carbide compound hardest element after diamond



After graphite, tungsten could be the next metal to get a China export ban.

Tungsten exists in a sweet spot where an [investingstrategy.co.uk](https://www.investingstrategy.co.uk)



China sets 2023 mining quota for tungsten concentrate at 111,000 metric tons



Defense Federal Acquisition Regulation Supplement: Restriction on the Acquisition of Certain Magnets and Tungsten (DFARS Case 2018-D054)

Credit: REUTERS/HEO RAN

September 28, 2023 — 06:06

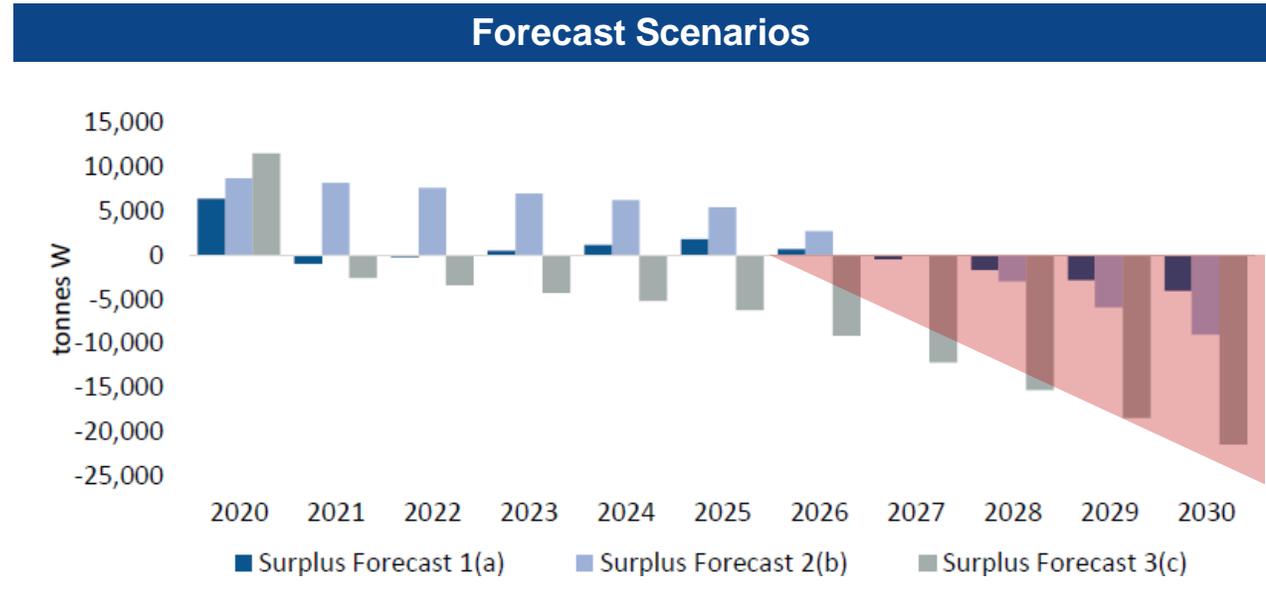
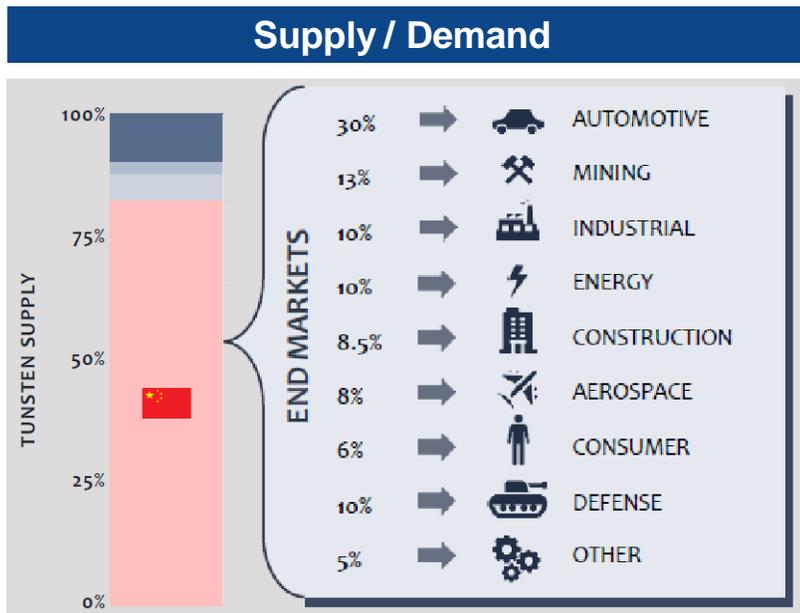
A Rule by the Defense Acquisition Regulations System on 04/30/2019

[10 U.S.C. 2533c](#) prohibits acquisition of samarium -cobalt magnets, neodymium -iron-boron magnets, [tungsten metal powder](#), and [tungsten heavy alloy](#) or any finished or semi-finished component containing [tungsten heavy alloy](#) from North Korea, China, Russia, or Iran.

Tungsten Market Overview

- Decades of continuously increasing dependency on China resulted in a market where **today 90% of tungsten raw materials originate from China and other non-transparent or conflicted sources** – including Russia, North-Korea and Central Africa
- Contrary to the “disturbing” supply balance, **NAFTA, EU, Japan and South Korea alone stand for ~2/3 of end-use demand** for tungsten products
- Strategic / developed industries (automotive, energy, aerospace, defense) continue to depend on tungsten, in addition to **new applications in high-tech / high-growth sectors such as batteries and semiconductors** (e.g. nano tungsten oxide)
- Declining output from Chinese mines and the lack of new projects (i.e. in the western world) will result in a **severe shortage and further increasing geo-political competition** around this critical mineral

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Source: ITIA Tungsten End Use Analysis (2021)

Source: (a) Argus Tungsten Analytics (2021), (b) Roskill Tungsten Outlook to 2030 (2021), (c) ITIA Tungsten End Use Analysis (2021)

Mt Carbine Flagship Project

De-risked Mt Carbine Mine Is Australia's Leading Tungsten Mine and Is Consistently Exporting Concentrate to Global Consumers



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Mine Access & Infrastructure



- Close proximity to international export channels underpins low-cost production.
- 130km via sealed highway to Cairns International Airport.
- Townsville Port received \$232 million upgrade in 2021, securing its position as largest port in North Australia and the economic gateway to Asia.

Power Supply Network



- 2021 upgrade of power supply line & new substation allows plant to operate 24/7.
- Will accommodate all future growth phases of Mt Carbine as production ramps up with mining of Open Pit.
- Bulk fuel supply on site through direct local supplier ensures reliability.

Water Supply Security



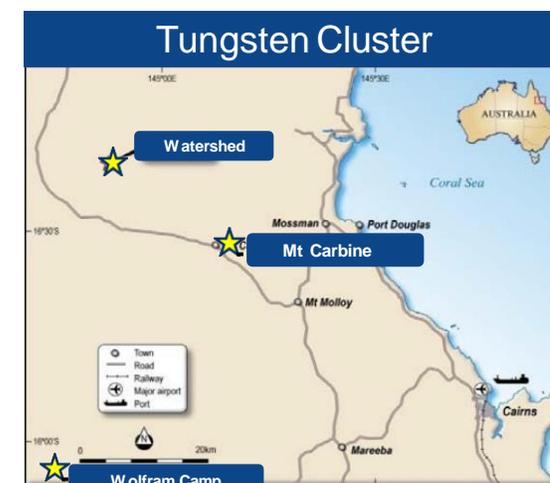
- Multiple responsible sources of supply including 2 catchment storage dams, 17 investigation- and 1 production boreholes, draining of open pit, recycling of water through plant.

Accommodation, Offices & Towns



- Mt Carbine motel, roadhouse, gas station & caravan park chalets for out-of-town specialist teams. Nearby towns of Port Douglas, Mossman, Mt Molloy & Mareeba allow up-skilled staff to be sourced locally and go home each day.
- Upgraded onsite Management & Admin offices facilitate hands-on management.

Perfectly situated within a **Critical Minerals Hub (W, Sn)** in Far North Queensland:



Cluster potential - significant mineral deposits defined in the region:

Watershed: 2014 DFS by Vital Metals (2012 JORC)



Wolfram Camp 2015 Technical Report by Almonty Industries (NI 43-101)



EQR Awarded Permit for Historic Wolfram Camp Mine. 27 Jul 2023 ([link](#))

Solidly Developing Mt Carbine Economics Since 2021

Continuous Value Generation Through Targeted Exploration, Value Engineering and Technology Deployment



Comparison of Mt Carbine Project Economics (excl. Underground Feasibility Work)

| Parameter | Unit | Initial BFS (December 2021) | BFS Pit Optimisation (November 2022) | | BFS Pit Optimisation (May 2023) | |
|--------------------------------------|----------------------------|--------------------------------|---|---|------------------------------------|---|
| Total Cash Cost (FCA) | US\$/mtu | 113 | 118 | ➡ | 104 | ➡ |
| Capital Cost | A\$m | 22.96 | 21.4 | ➡ | 26.3* | ➡ |
| Pre-tax NPV_{8, real} | A\$m | 131 | 210 | ➡ | 307 | ➡ |
| NPV / Capex Ratio | x | 5.7 | 9.2 | ➡ | 11.7 | ➡ |
| Payback Period | years | 2.25 | 1.5 | ➡ | <1 | ➡ |
| Strip Ratio | (Waste:Ore) | 11.1:1 | 3.1:1 | ➡ | 3.9:1 | ➡ |
| Concentrate Produced | (t / 50% WO ₃) | 26,680 | 30,960 | ➡ | 38,570 | ➡ |

Indicative Tax Payable from BFS modelling is +/- \$95 Million over the LOM

* Capex has increased due to \$7.7m added to double plant capacity (without this, capex forecast is lower than last BFS)

Notes:

- The BFS has been prepared to a -20% to +20% level of accuracy. The production target and financial information in this table must be read in conjunction with the cautionary statement in the relevant ASX Release
- AUD:USD average exchange rate of 0.688 over the life of project was used for currency conversions

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Saloro as Latest Member of EQR Group

Europe's Largest Tungsten Mine, With Outstanding ESG Credentials, Additional Ramp-Potential and Regional Exploration Upside



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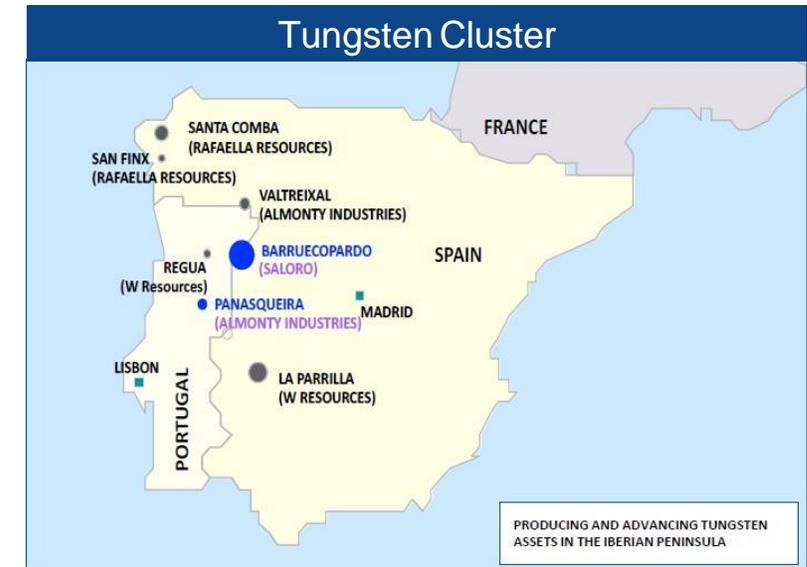
World-class Processing Plant



Barruecopardo Open Pit



Iberian Peninsula has historically been one of the leading Tungsten producing regions globally:



Barruecopardo History:

- Mine discovered in 1900's, stopped in 1982;
- Redeveloped by Saloro in 2019;
- EQR acquired in Q3/23, expansion planned for 2024

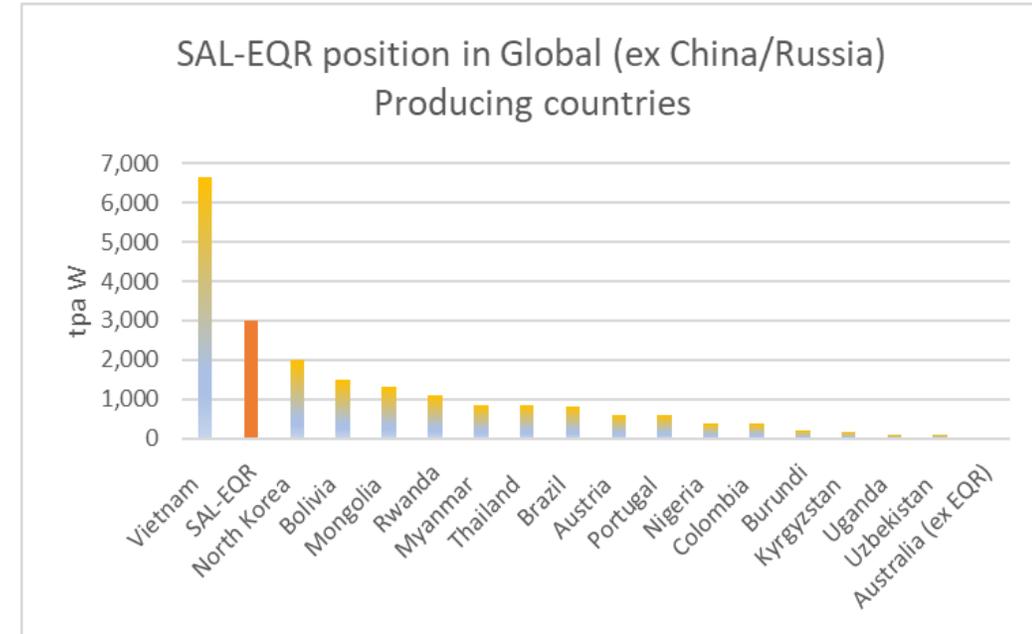
Note: Barruecopardo Mine has been in operation since 2019, funded by US private equity group, Oaktree, on the basis of a historic bankable feasibility study; EQR is currently preparing an update of the historic independent mineral resource and ore reserves estimate and will report a JORC-compliant update within Q1/2024; until then EQR is not allowed to report financial projections for the Barruecopardo project.

EQR & Saloro's Global Significance



Arguably the **two best producing tungsten assets** today, with similar characteristics:

- Both in **Tier 1** jurisdictions
- **Similar mineralogy:** Both are hosted in sheeted quartz
- **Complementary geology:** Granite (Barruecopardo) and Metasediments (Mt Carbine)
- **Identical mining method:** Open pit blast plus truck and excavator - identical fleet
- **Similar processing:** Crush, screen, XRT-sorting, jigs and tables; Saloro incorporates flotation and mag.sep.cleanup, producing a higher-grade product
- **Identical Marketing:** Both supplying the same end customers
- Both operating adjacent to world renowned National Parks (**strong ESG credential**)
- Organisational and significant technical **synergies (comparable operational output)**



EQR will have a **production second only to Vietnam** in ex China/ Russia producing countries, and second only to Nui Phao (Masan Group, Vietnam) compared to top producers ex China/Russia.

Read More on EQR's Saloro Acquisition:

[Click](#)

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What We Care About

Responsible and Sustainable Critical Mineral Production



Safety



Environment



Community



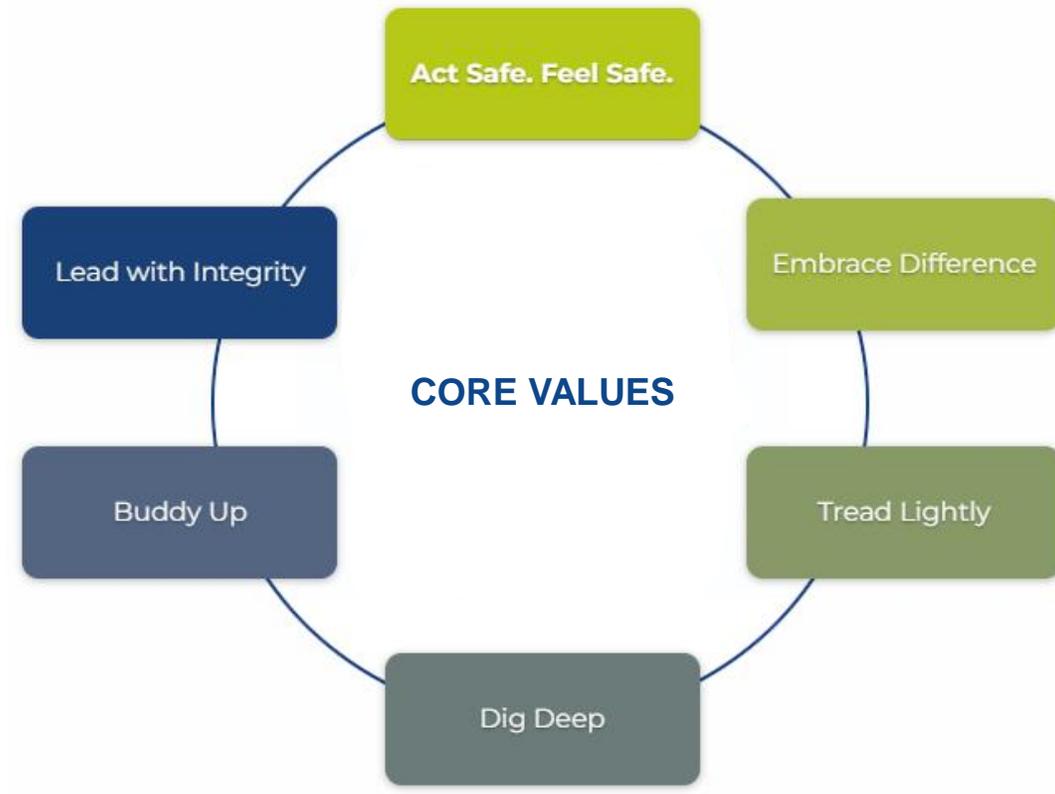
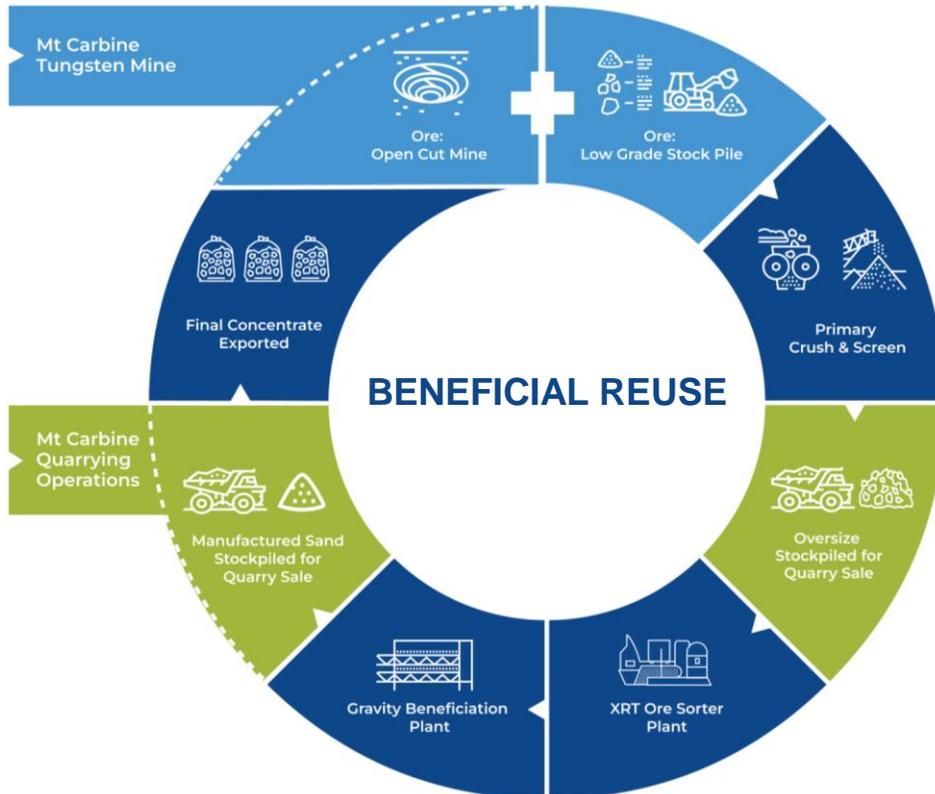
Collaborations



New Economy Minerals



Circular Economy



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Recognition For Our Sustainability Efforts

Responsible and Sustainable Critical Mineral Production



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Strategic Partners



Endorsement Through Funding & Grants

Strong Support for Critical Minerals Projects in Australia



Queensland METS Collaborative Projects Fund (METS Ignited) ASX Announcement 24 July 2020: [Government Support for Mt Carbine Mine Waste Transformation Initiative](#)
Advanced Manufacturing Growth Center (AMGC) ASX Announcement 25 January 2022: [Federal Government Co-Invests in High-Tech Ore Sorting](#)
Critical Minerals Accelerator Initiative (CMAI) ASX Announcement 19 September 2022: [Federal Government Funding for Mt Carbine Reconfirmed](#)

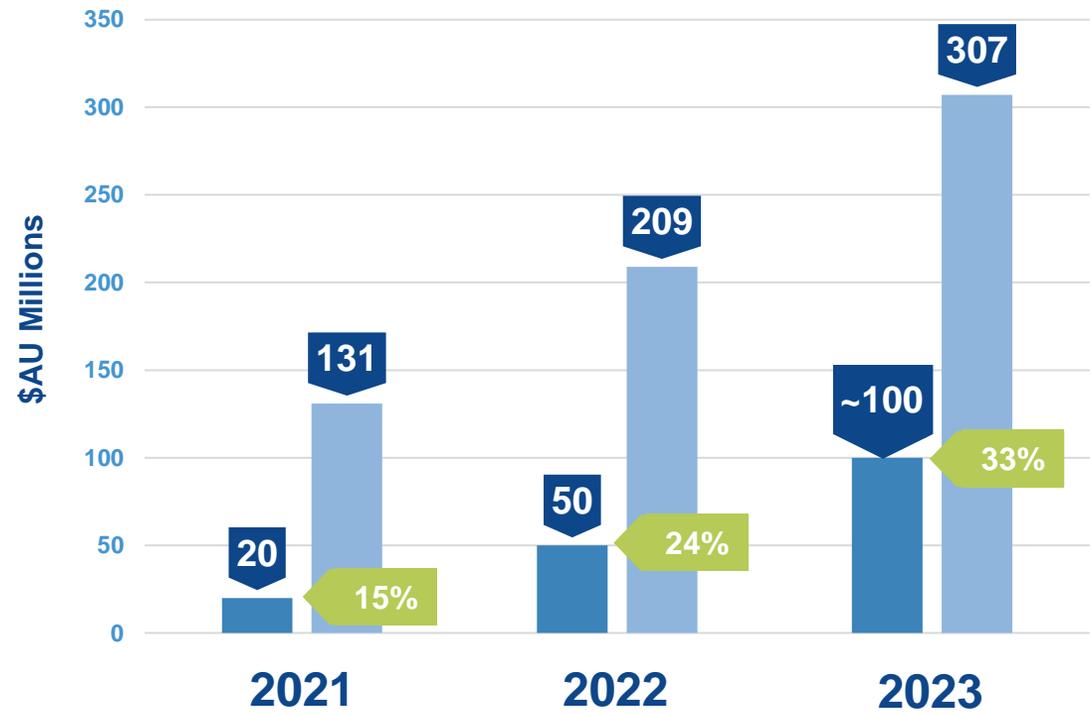
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Inflection Point of Value

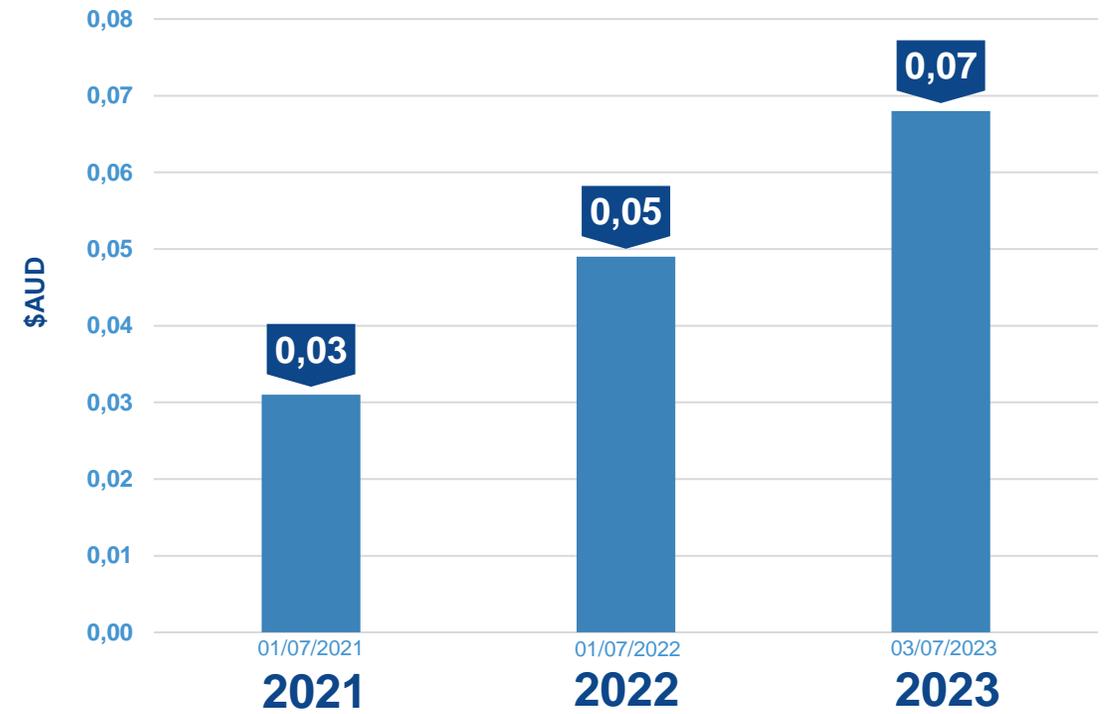


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INCREASING MARKET CAP & NPV



INCREASING SHARE PRICE



- Market Cap
- NPV
- %Of Market Cap

- JULY yearly share price

A Globally Significant Tungsten Raw Materials Supplier



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Established Production

Australia's largest primary tungsten producer, consistently accelerating production. Recent acquisition of Saloro (Barruecopardo Mine) makes EQR the largest western supplier of tungsten raw materials



Secured Long-Term Offtake Partnership

Secured offtake via CRONIMET partnership at fair market value. Product from both EQR mines globally accepted, shipments to some of the largest Asian, US and European consumers.



De-Risked Operations

Both mines scaled up production over recent years: proven economics, fully permitted, infrastructure in place, low-cost expansion ongoing, Government supported.



Large Economic Resources

Both resources provide economic grades well above world average. Both mines with Life Of Mine >12 years. Ongoing drilling programs at clearly defined targets provide upside potential. Both mines are located in historic regional mining clusters.



Positive Market Conditions & Outlook

Increasing commodity price forecast combined with favourable supply-demand dynamics underpins EQR's strategic relevance in the critical minerals sector. Classified as critical mineral for its economies by US, UK, EU, Japan, South Korea & India.



Genuine ESG Performance & Commitment

EQR is committed to embedding resource efficiency to minimise environmental footprint and delivering positive societal impact while striving to lead by example. Recognised by industry and Government awards.



Beneficial Waste Re-Use & Renewables As Cost-Saving Measures

Beneficial re-use of waste product promotes Circular Economy commitment at Mt Carbine (similar investigations initiated for Saloro). Installation of solar PV renewable energy plant(s) to lower cost and reduce environmental footprint. Saloro's PV project is construction-ready.

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